



CONGRESSIONAL BUDGET OFFICE COST ESTIMATE

December 22, 2006

H.R. 4000

An act to authorize the Secretary of the Interior to revise certain repayment contracts with the Bostwick Irrigation District in Nebraska, the Kansas Bostwick Irrigation District No. 2, the Frenchman-Cambridge Irrigation District, and the Webster Irrigation District No. 4, all a part of the Pick-Sloan Missouri Basin Program, and for other purposes

*As cleared by the Congress on November 16, 2006,
and signed by the President on December 12, 2006*

SUMMARY

H.R. 4000 (enacted as Public Law 109-386) authorizes the Secretary of the Interior to revise certain repayment contracts with several irrigation districts that are a part of the Pick-Sloan Missouri Basin Program. The repayment contracts are for reimbursable construction costs. This act amends the previous schedule of repayments by equalizing the amount of annual payments over the remaining life of the contracts.

Under the act, the irrigation districts will make smaller payments to the federal government during the first 10 years after enactment and larger payments in the later years of their contracts, compared with the payments due under the previous arrangement. Those payments are recorded in the budget as offsetting receipts (that is, offsets to spending). Because the act will reduce the amount of offsetting receipts collected by the government over the next 10 years, CBO estimates that H.R. 4000 will increase direct spending by almost \$3.5 million over the 2007-2016 period. Over the next 35 years, aggregate receipts to the government will be unchanged.

ESTIMATED COST TO THE FEDERAL GOVERNMENT

The estimated budgetary impact of H.R. 4000 is shown in the following table. The costs of this legislation fall within budget function 300 (natural resources and environment).

	By Fiscal Year, in Millions of Dollars									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
CHANGES IN DIRECT SPENDING										
Estimated Budget Authority	1	1	1	1	*	*	*	*	*	*
Estimated Outlays	1	1	1	1	*	*	*	*	*	*

NOTES: * = less than \$500,000.

PREVIOUS CBO ESTIMATE

On June 21, 2006, CBO transmitted a cost estimate for H.R. 4000 as ordered reported by the Senate Committee on Energy and Natural Resources on May 24, 2006. Our cost estimate for the enacted version of H.R. 4000 is unchanged from the previous estimate.

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